

## Relationship Between the Monthly Allowance and Daily Expenses Among UiTM Jengka Students

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### ABSTRACT

Nowadays, a lot of universities students tend to live independently whether is the hostel or a rental house. Most students would manage their financial themselves and they get their financial help from either National Higher Education Fund Corporation (PTPTN), scholarships, their own saving or family funding. Several previous studies has been conducted based on students financial and some of it are on students awareness on their financial management. There are studies on students spending expectations and habits, also the relationship between monthly allowance and their average grade. Hence, a study on relationship between monthly allowance and their daily spending is done. This research took place in Universiti Teknologi Mara Jengka, Pahang (UCPh) where the researchers conducted a type of Quantitative Survey Research of gathering data. There is total 152 students that were involved in this research and they were from the various faculties in UCPh. After running the data gathered through IBM SPSS Statistics 25 Software, by using the Pearson correlation approach, it can be concluded that there is no significant relationship between the monthly allowance and their daily spending.

### KEYWORDS

Monthly allowance; daily expenses; Pearson correlation; SPSS.

### INTRODUCTION

College is the stage of life where most students tend to live independently. College students are more likely to live away from home and family, whether in rented housing or in dormitories prepared by universities. But there are still students who stay with their families due to the school's location relative to home or due to university requirements. Therefore, most student stipends are paid weekly or monthly, and students are fully responsible for making decisions regarding their spending.

University students in Malaysia have restricted incomes such as from either National Higher Education Fund Corporation (PTPTN), scholarships, family funding or their own savings. Therefore, they manage money differently as stated by Micomonaco (2003). It is also common for students in universities to make a loan to further their studies and most of the students lack understanding of the amount of debt they carried in a study done by Zerquera et al (2013).

According to Dimaala et al (2019) who has done study on the relationship of monthly allowance and their average grade. This study involved 345 business management students in Polytechnic University of the Philippines. The researchers have concluded that there is no relationship between students' monthly allowance and their average grade. The students mostly allocated their allowance in personal needs, academic purposes, and transportation.

Brau et al (2021) has done a budget habit study on 508 college students from a large, private university. This study was meant to analyze students spending expectation, their realized habits, and the dispersion between the two. There are 27 categories of projected and realized expenditure were recorded. Their findings have concluded that students coming from possibly unsteady budgetary circumstances will not be experienced budgeters. A quantitative analysis of a personal survey and survey via Facebook among 60 students of BS Agribusiness Economics undergraduate students at University of the Philippines Mindanao has been conducted by Legaspi et al (2014). There are seven consumption expenditure among students which were food, groceries, fare, printing and photocopy, laundry, savings and entertainment and relaxation expenses. The relationship between remittance and utilization consumption is specifically relative and since this regression model formulated was free from any violations of the assumptions, the results were believed to be accurate and significant.

Research on the students' level of financial support satisfaction was done by Moneva et al (2020). This satisfaction was associated with their daily allowance. There are 242 respondents that were involved, and a checklist scaling questionnaire was used. Most respondents were satisfied with their daily allowance. They seem to still be able to buy other things by using the money that they have and save the remaining money for the future.

Singh et al (2020) has done a study on spending behaviour of 138 university students in Delhi & Mumbai. It was shown that the students who are living on relatively tight budget usually goes unmaintained. It was also found that when they are facing a budget deficit, they reduced their daily expenditure which are on lifestyle, entertainment, travelling, books and dine-out.

Shaheera binti Bakhtiar et al (2020) has done a study on students spending pattern on non-academic items. Most of the respondents used their loan money as their primary sources. Once their tuition fees were paid, it was still insufficient for them. It was concluded that male students tend to spend their cash on amusement whereas female students tend to spend on their appearance.

Liu et al (2021) has studied on Credit behavior of online consumer credit students. There were 539 participants in the Pearl River Delta region. Students' financial knowledge is negatively correlated with risky credit behavior, and subjective financial knowledge has a greater impact on risky credit behavior than objective financial knowledge. It has been confirmed that higher financial stress experienced by students is more likely to stimulate their risky credit behavior.

Stollak et al (2011) stated that female students are better planner than male students. It was found that most junior students were most likely to spend all their dollars. This could be due to lack of experience in budget management.

In Universiti Teknologi Mara Jengka, Pahang, (UCPh) a relationship of daily expenses and monthly allowance among students were studied. The researchers would like to know whether there is an increase in daily expenses depending on the monthly allowance that the students received. The analysts would moreover need to know the investing behavior of the students in terms of food, necessities, transportations, entertainment, medical & healthcare and education.

The first step is to gather data on the daily spending and the monthly allowance among UCPh students. Second, the data will be analysed descriptively, and the normality of the data is also being analysed. The last one, the correlation analysis is done between the monthly allowance and the daily spending among students.

## **RESEARCH METHODS**

### ***Research Design***

The researchers conducted a type of Quantitative Survey Research of gathering data on the students in Universiti Teknologi Mara, Jengka, Pahang. An online survey questionnaire, a Google Form is distributed randomly among the students of UCPh and the information is collected.

### ***Research Locale***

The research is conducted in Universiti Teknologi Mara Jengka, Pahang.

### ***Respondents of the Study***

There is total 152 students that responded to the survey whom age range in between 19 to 25 from different courses and faculties. 80 of the respondents were male while another 72 of respondents were female. These respondents were selected randomly since the questionnaire was distributed via Whatsapp and Telegram platform.

The research methods can be composed as autonomous sub-chapters in case the article gets to be the investigate result. This area ought to be composed as concisely as conceivable but ought to contain all components vital to permit translation and replication of the comes about. This section is anticipated to uncover sources that have been used. Meanwhile , the strategy moreover can be included within the presentation area in case the article composed using writing ponders or intelligent works.

## **RESULTS AND DISCUSSION**

Table 1 is the summarization of the demographic data taken from the survey. The table categorizes respondents into sex, semester of study, age, and their course code. From Table 1, 52.6% of the respondents is male while 47.4% is female.

More than half of the respondents, 52.6% of them are students from semester 4. Meanwhile, 23% of the respondents are students from semester 2. The least that took part in this research is students from semester 3 which is only contributed to 6.6%.

50% of the respondents are students who are 20 years old and only 9.2% of the respondents are students who are 22 years old. 28.3% of the respondents are students with the age of 19 and the rest, 12.5% is students with the age of 21.

In the category of faculty, most of the respondents are the students from Faculty of Applied Science which is 53.3%. Only 1.9% of the respondents are the students from Faculty of Administrative Science & Policy Studies.

As for the course, 42.1% of the respondents come from the course AS120 which is known as Diploma in Science. 13.2% of them are from AC110, Diploma in Accountancy while only 1.3% of the respondents are students from BM118, Diploma in Office Management and Technology.

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**Table 1.** Profile of the students.

Category	Frequency	Percent
<b>SEX</b>		
Male	80	52.6
Female	72	47.4
<b>SEMESTER</b>		
Semester 1	15	9.9
Semester 2	35	23.0
Semester 3	10	6.6
Semester 4	80	52.6
Semester 5	12	7.9
<b>AGE</b>		
19	43	28.3
20	76	50.0
21	19	12.5
22	14	9.2
<b>FACULTY</b>		
Faculty of Administrative Science & Policy Studies	3	1.9
Faculty of Computer Science and Mathematics	5	3.3
Faculty of Civil Engineering	6	4.0
Faculty of Sport Science and Recreation	6	4.0
Faculty of Business and Management	12	7.9
Faculty of Plantation and Agrotechnology	18	11.8
Faculty of Accountancy	21	13.8
Faculty of Applied Science	81	53.3
<b>COURSE CODE</b>		
BA002	4	2.6
PD007	2	1.3
AC110	20	13.2
AS117	18	11.9
AS120	64	42.1
AT110	16	10.6
BM118	2	1.3
SR113	4	2.6
EC110	4	2.6
AS203	3	2.0
AS255	4	2.6
BM232	2	1.3
SR243	2	1.3
OTHER	7	4.6

As mentioned before, university students in Malaysia are exposed to a few types of funding which are PTPTN, scholarships, family funding or their own savings. Table 2 shows the source of allowance for the respondents from the questionnaire. From the table, 73.7% students get their allowance from their parents while 18.4% depends on their educational loan. 4.5% depends on their scholarship while 3.3% are using sponsorship as their sources of allowance.

**Table 2.** Source of allowance.

Source of Allowance	Frequency	Percentage
Parents	112	73.7
Educational loan	28	18.4
Scholarship	7	4.5
Sponsorship	5	3.3

Table 3 shows where the students mostly spend their money on. Most of the students spent their money on food, transportation, education and the least they spent to is on fees. This result is supported by the study done by Legaspi et al (2014) and Singh et al (2020).

**Table 3.** Items that students spend their money on.

Items	Frequency
Food	128
Transportation	88
Education	54
Entertainment	43
Medical & healthcare	33
Books	1
Fees	1

### **Descriptive Statistics**

**Table 4.** Descriptive statistics results

	ALLOWANCE	DAILY SPENDING
Mean	338.45	17.72
Mode	200	15
Std. Deviation	147.980	10.589
Minimum	150	5
Maximum	1000	70

The data gathered were run through IBM SPSS Statistics 25 Software to analyze the relationship between monthly allowance and daily spending. The result that was obtained is given in Table 4. The mean value for student allowance is RM338.45(SD=147.9800) each while the mean for their daily spending was RM17.72(SD=10.589). Majority of the students received RM200 as allowance and they spent RM15 per day.

The maximum allowance that the students received was RM1000 per month, while the minimum allowance was RM150. As for daily spending, RM5 was the minimum daily spending for students and RM70 was the maximum. There are various of items that the students spent their money on.

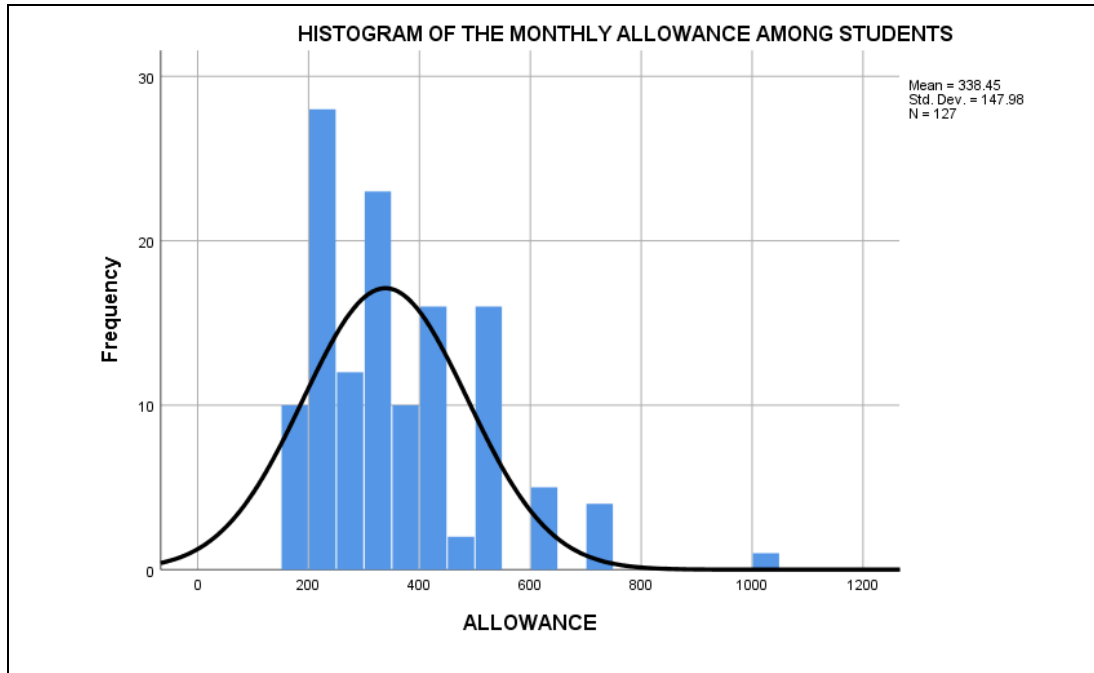
### **Normality Test**

According to Krithikadatta (2014) and Razali & Wah (2011), there are three common methods to check the normality which are the graphical methods, numerical methods and formal normality test. In this study, the normality of the data is tested by using :

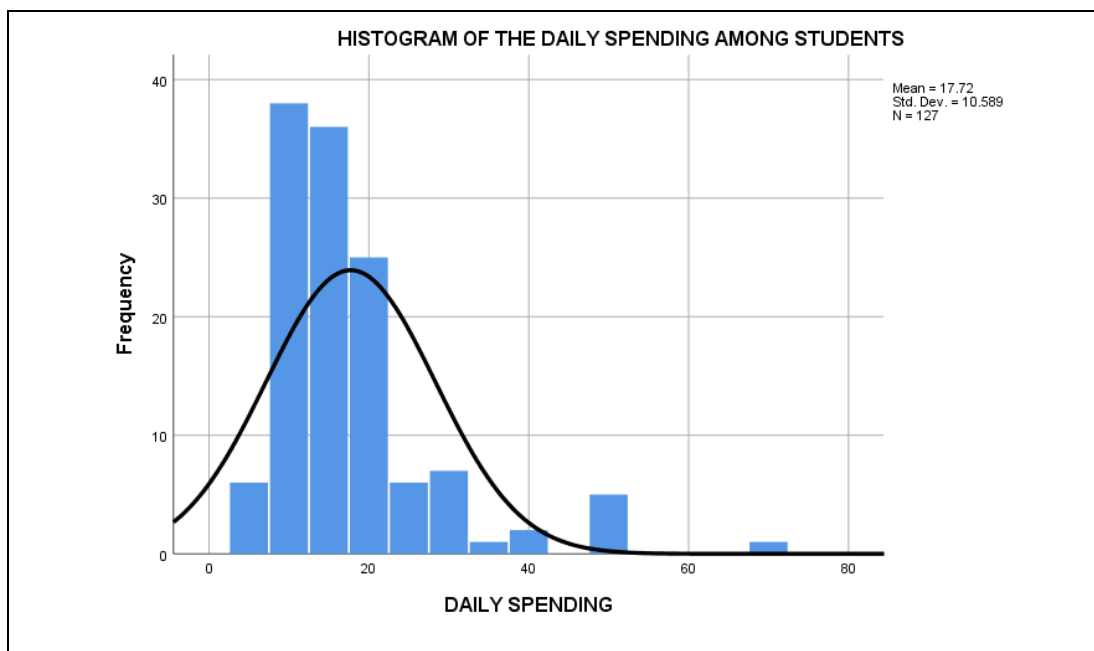
- Graphical method - histogram and normal Q-Q plot;
- Numerical method - skewness test;
- Formal normality test - Shapiro-Wilk test

The first normality test that was done in this study was graphical method which is histogram. The histogram for both allowance and daily spending is given in Figure 1 and Figure 2 respectively. Based on Figure 1 and Figure 2, the tail of the distribution was extended towards the right. Therefore, the data is skewed to the right and this data distribution is not normal.

As for Q-Q plot, by referring to Figure 3, the data is not scattered along the straight line. This means that the distribution of the allowance per month among students is not normally distributed. The same goes for the Q-Q plot of daily spending as referred to Figure 4. The data is also not normally distributed.

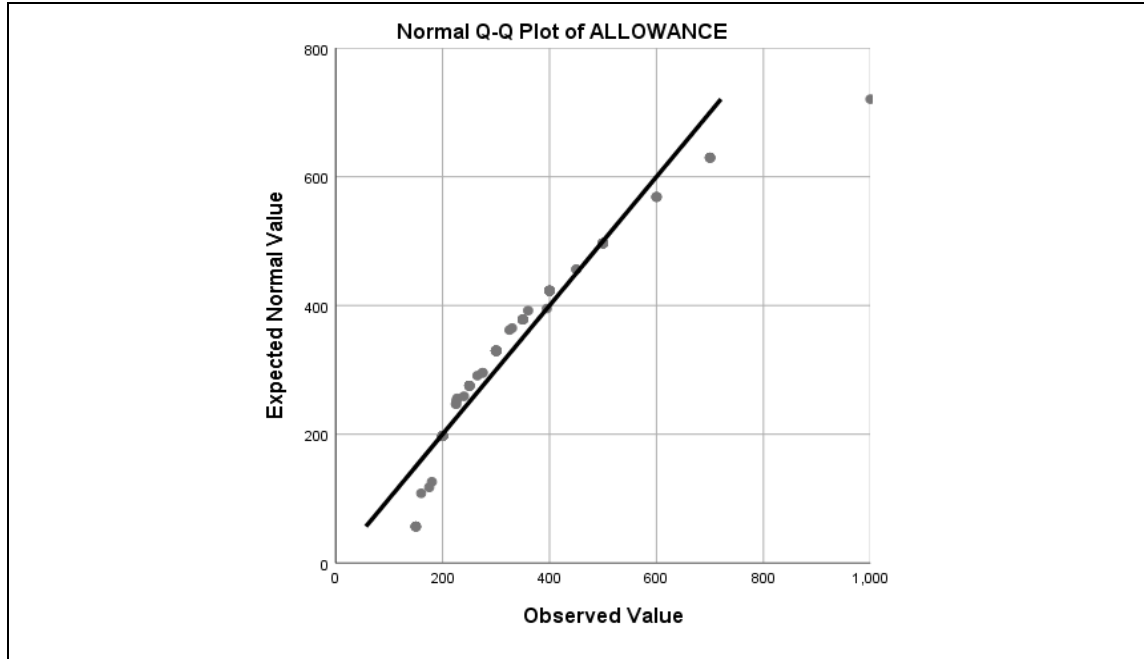


**Figure 1.** Histogram of the monthly allowance among students

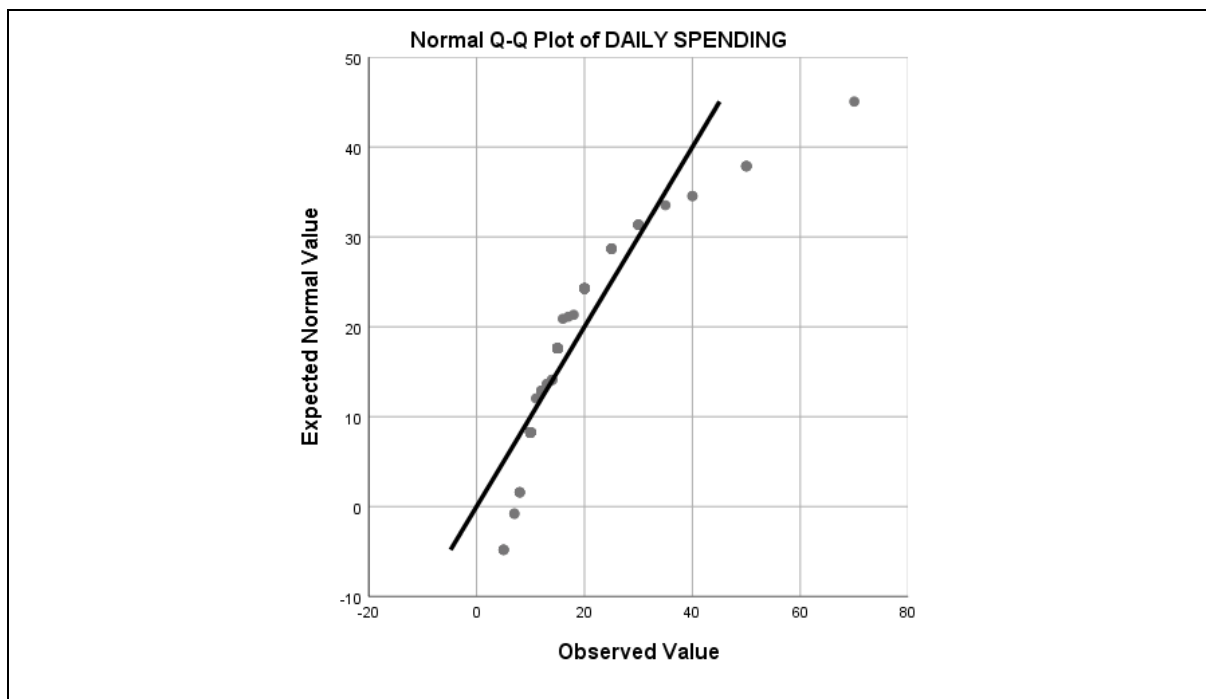


**Figure 2.** Histogram of the daily spending among students

The next normality test that was done is a numerical method which is skewness test. From Table 5, the skewness value for the allowance is 1.257(SE=0.215) implies that the data is positively skewed. So it means that this data is not normal and it skewed to the right.



**Figure 3.** Q-Q plot of monthly allowance among students



**Figure 4.** Q-Q plot of daily spending among students

**Table 5.** Skewness normality test results

	ALLOWANCE	DAILY SPENDING
Skewness	1.257	2.207
Std. Error of Skewness	.215	.215

The last test that was done is a statistical software called the Shapiro-Wilk (SW) test. From the test, it was obtained that, the  $p$ -value is 0.000 which is less than 0.05 and this indicates that the distribution of this data is not normally distributed as given in Table 6.

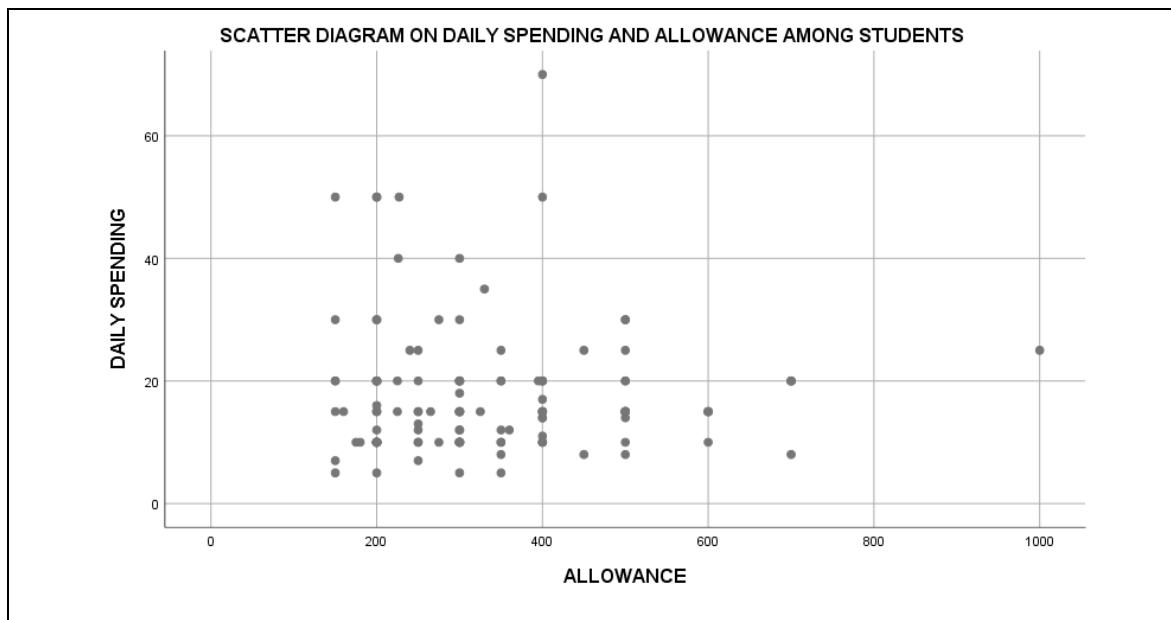
**Table 6.** Shapiro-Wilk test results.

	Statistic	Degree of freedom	p-value
DAILY SPENDING	.774	127	.000
ALLOWANCE	.896	127	.000

### Correlation Analysis

Correlation, also called as correlation analysis, is a term used to denote the association or relationship between two (or more) quantitative variables as stated by Lindlay (1990), Gogtay & Thatte (2017) and Senthilnathan (2019). Thus, this method is suitable to be used to determine the relationship between monthly allowance and daily spending among students.

Figure 5 represents the scatter diagram for the relationship between monthly allowance and daily spending among 152 UCPh's students. Based on the figure, it is shown that the data is randomly scattered. Hence it can be concluded that there is no relationship between the monthly allowance and the daily spending among UCPh's students.



**Figure 5.** Scatter diagram on monthly allowance and daily spending among UCPh's students.



**Table 7.** Correlation coefficient.

		ALLOWANCE	DAILY SPENDING
<b>ALLOWANCE</b>	Pearson Correlation	1	-0.024
	<i>p</i> -value	-	0.785
	N	127	127
<b>DAILY SPENDING</b>	Pearson Correlation	-0.024	1
	<i>p</i> -value	0.785	-
	N	127	127

It is said that the correlation coefficient of +1 indicates that the two variables are perfectly related in a positive linear manner while a correlation coefficient of -1 indicates that two variables are perfectly related in negative linear manner. If the correlation coefficient is zero, it indicates that there is no linear relationship between the two variables that are studied.

From Table 7, the correlation coefficient for these two variables is -0.024, which is a very weak negative linear correlation between their monthly allowance and daily spending among students. In addition to that, the *p*-value=0.785, thus there is no significant relationship between these two variables.

## CONCLUSION

This paper studies the relationship between students' monthly allowance and their daily spending. Most of the students spent their money food, transportation, education and entertainment. After studying the data, it is concluded that most of the students received monthly allowances from their parents. They spent most of their allowances on food and transportation. It is normal since they live independently due to the location of the university or due to the requirement of the university itself.

Based on the correlation analysis, it shows that there is no significant relationship between monthly allowance and daily spending among students. This result is supported by Dimaala et al (2003) who has done a study on the business management students of Polytechnic University. Their daily spending is not directly affected by their monthly allowance.

This study also supported by the results obtained by Shaheera binti Bakhtiar et al (2020). In their study, the students spent their allowance on non-academic items. The same goes for the respondents in this study. However, their spending is not significantly related to their allowance since they depended on their study loan money to survive.

Therefore, it can be concluded that the monthly allowance of UCPh's students is not directly affected their daily spending.

### Limitation of the Study

1. It was a sample study, not population study. The sample size of 150 students was a limitation to the study. The things are true for the same may or may not apply to the population.
2. This study uses simple-random sampling techniques. The sample only includes UCPh's students who are convenient to the researchers.
3. The sample unit can be a limitation. It may be different in different universities.

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